



Patrick W. Henning, Director



Arnold Schwarzenegger
Governor

June 2, 2008
22M:375;jel:8024

Mr. Michael Curran, Director
North Santa Clara Valley Job Training Consortium
505 W. Olive, Suite 550
Sunnyvale, CA 94086

Dear Mr. Curran:

**WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2007-08**

This is to inform you of the results of our review for Program Year (PY) 2007-08 of the North Santa Clara Valley Job Training Consortium's (NOVA) Workforce Investment Act (WIA) 85-Percent grant program operations. We focused this review on the following areas: Board composition, One-Stop delivery system, program administration, WIA activities, participant eligibility, local program monitoring of subrecipients, grievance and complaint system, and management information system/reporting.

This review was conducted by Ms. Jennifer Leeper from November 27, 2007 through November 30, 2007.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by NOVA with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2007-08.

We collected the information for this report through interviews with NOVA representatives and service provider staff. In addition, this report includes the results of our review of selected case files, NOVA's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2007-08.

We received your response to our draft report on May 21, 2008, and reviewed your comments and documentation before finalizing this report. Because your response

did not adequately address finding number one cited in the draft report, we consider this finding unresolved. We requested that NOVA provide the Compliance Review Division with additional information and a corrective action plan to resolve the issue that led to the finding. Therefore, this finding remains open and has been assigned Corrective Action Tracking System (CATS) number 80072.

BACKGROUND

The NOVA was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2007-08, NOVA was allocated: \$799,324 to serve 201 adult participants; \$785,276 to serve 189 youth participants; and \$1,067,832 to serve 700 dislocated worker participants.

For the quarter ending September 30, 2007, NOVA reported the following expenditures for its WIA programs: \$2,683 for adult participants; \$71,879 for youth participants; and \$306,769 for dislocated worker participants. In addition, NOVA reported the following enrollments: 144 adult participants; 96 youth participants; and 668 dislocated worker participants. We reviewed case files for 30 of the 908 participants enrolled in the WIA program as of November 27, 2007.

PROGRAM REVIEW RESULTS

While we concluded that, overall, NOVA is meeting applicable WIA requirements concerning grant program administration, we noted an instance of noncompliance in the area of Workforce Investment Board (WIB) composition. The finding that we identified in this area, our recommendation, and NOVA's proposed resolution of the finding is specified below.

FINDING 1

Requirement:

WIA Section 117(b)(2)(A)(vi) states, in part, that the membership of each Local Board shall include representatives of each of the one-stop partners.

20 CFR Section 662.200(b)(6) states, in part, that the local area is required to have a partner providing senior community service employment activities authorized under Title V of the Older Americans Act of 1965.

Observation: The NOVA's WIB is missing a representative from its partner, National Council on Aging (NCOA). The position has been vacant since October 2006. Due to funding cutbacks, the NCOA has no intention of filling this vacancy at this time.

Recommendation: We recommended that NOVA provide the Compliance Review Division (CRD) with a corrective action plan (CAP), including a timeline for appointing a representative from an alternative agency providing activities authorized under Title V of the Older Americans Act. Additionally, we recommended that NOVA provide CRD with documentation demonstrating that this appointment was made.

NOVA Response: The NOVA contacted the Director for Western Regional Program on May 15th for a possible nominee. At this time, the organization is short staffed and unable to make a nomination. The NOVA's request is being kept on file with Western Regional Program and they will begin to explore other options in several months.

State Conclusion: Based on NOVA's response, we cannot resolve this issue at this time. While NOVA provided an alternate agency for appointing a representative, this agency is unable to make a nomination. Therefore, we recommend that NOVA continue in its efforts to fill the vacant WIB seat. We recommend that NOVA provide CRD with a CAP, including a timeline for appointing a representative from an alternative agency providing activities authorized under Title V of the Older Americans Act. Until then, this issue has been assigned CATS number 80072.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is NOVA's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain NOVA's responsibility.

Mr. Michael Curran

-4-

June 2, 2008

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mr. Jim Tremblay at (916) 654-7825 or Ms. Jennifer Leeper at (916) 653-7802.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jessie Mar".

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Division

cc: Shelly Green, MIC 45
Jose Luis Marquez, MIC 50
Dathan O. Moore, MIC 50
Eileen Rohlfing, MIC 50